

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4948

ANSWERED ON:02.09.2011

`COMMITTEE ON NATIONAL SMALL SAVINGS FUND`

Antony Shri Anto;Rajbhar Shri Ramashankar;Rathwa Shri Ramsinhbhai Patalbhai

Will the Minister of FINANCE be pleased to state:

- (a) whether the Report of the Committee on National Small Savings Fund has made specific reference to the Mahila Pradhan Agents;
- (b) if so, the details thereof and reaction of the Government thereto; and
- (c) the steps taken by the Government to promote the small savings scheme and ensure social security?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE : SHRI NAMO NARAIN MEENA:

(a): Yes, Madam.

(b): The Committee has observed that 4% commission under Mahila Pradhan Kshetriya Bachat Yojna (MPKBY) is very high and is affecting the viability of National Small Savings Fund (NSSF). The committee has recognized that the Recurring Deposit Scheme requires considerable effort on part of agents in mobilizing monthly deposits. However, 4% commission is distortionary and expensive. The committee has recommended that it should be brought down to 1% in a phased manner in a period of three years with a 1% reduction every year.

Recommendations of the committee have been referred to State Governments and concerned Ministries/Departments of Central Government for their comments.

(c): Central and State Governments take various measures from time to time to promote and popularise small saving schemes through print and electronic media as well as holding seminars, meetings and providing training to the various agencies involved in mobilising deposits under these schemes.

A website of the National Savings Institute under Government of India, Ministry of Finance has also been launched to facilitate interface with the public through wider dissemination of information on small savings and on-line registration and settlement of investors grievances. The website address is nsiindia.gov.in.